

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7014**

**BILL NUMBER:** HB 1263

**NOTE PREPARED:** Jan 11, 2012

**BILL AMENDED:**

**SUBJECT:** Public Safety Answering Points.

**FIRST AUTHOR:** Rep. Soliday

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill specifies maximum landline, wireless, and prepaid wireless 911 fees. It provides that the existing fees expire January 1, 2013. The bill requires the fees to be imposed by county ordinance in equal amounts that may not exceed \$2. It specifies uses of 911 fees. It also renames the Wireless Enhanced 911 Advisory Board to the IN911 Board (Board) and expands its membership. It requires the counties to remit \$0.05 of each 911 fee to the Board.

It consolidates landline and prepaid wireless provisions into the existing wireless statute. The bill provides that the consolidated statute expires January 1, 2019. It also repeals a moratorium on increasing the landline 911 fee for units subject to the consolidation of public service answering points. It repeals obsolete provisions concerning the recovery of costs related to the implementation of wireless enhanced 911 by CMRS service providers.

**Effective Date:** July 1, 2012; January 1, 2013.

**Explanation of State Expenditures:** *IN911 Board:* This bill renames the Wireless Enhanced 911 Advisory Board to the IN911 board and expands its membership. Under current statute, the Wireless Enhanced 911 Board is made up of seven members. This bill provides that the IN911 board is made up of 12 members. After January 1, 2013, the bill requires each county to remit \$0.05 of *each* 911 fee to be deposited in the State Wireless Emergency Telephone System Fund to cover the Board's expenses. Based on current collections, it is estimated that approximately \$2.9 M would be remitted annually to the IN 911 Board from wireless and prepaid 911 fees only. LSA does not have reliable data to determine how much would be remitted from land line fees. Board members are entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties. Currently the Board retains a portion of the wireless enhanced and prepaid fee. In FY 2011, it was approximately \$537,000 for the Board's expenses

and \$5.7 M deposited in an escrow account to be used for costs associated with other wireless enhanced 911 services mandated by the FCC.

The bill provides that if the balance in the State Wireless Emergency Telephone System Fund at the end of each fiscal year exceeds \$2.5 M, the Board must distribute the excess to counties containing PSAPs in the same manner 911 fee revenue is distributed to counties under current statute.

*Treasurer of State (TOS):* This bill could decrease expenditures for the TOS. After January 1, 2013, the TOS will no longer be responsible for distributing wireless 911 and prepaid 911 fee revenue to counties.

*State Board of Accounts (SBOA):* This bill requires the SBOA to annually audit expenditures from a county's 911 system fund to determine whether expenditures from the fund are approved 911 expenditures as outlined in the bill (See *Background Information*). The bill requires the SBOA to impose upon each PSAP found to have a noncompliant expenditure a financial penalty equal to the noncompliant expenditure. The SBOA's current level of resources should be sufficient to implement this provision

### **Explanation of State Revenues:**

**Explanation of Local Expenditures:** This bill could increase local expenditures for counties to administer the prepaid 911 and wireless 911 fees. Under current statute, prepaid 911 fees are collected at the point of sale and remitted to the Department of State Revenue and the wireless enhanced 911 fee is assessed statewide on users of wireless service to provide for enhanced 911 service. This bill requires the county treasurer to collect the prepaid wireless 911 fees and the wireless 911 fees.

**Explanation of Local Revenues:** *911 Fee revenue:* This bill provides that the existing statutes concerning the enhanced wireless fee, prepaid wireless fees and landline fees expire January 1, 2013.

The table below illustrates the current fees and what the fees could be under this bill;

<b>Fee</b>	<b>Current rate (\$)</b>	<b>Proposed Rates</b>
Land line fee	\$0.39 to \$3 per phone per month (varies by county)	Maximum monthly rate of \$2 per phone per month
Enhanced wireless fee	\$0.50 per phone per month	Maximum monthly rate of \$2 per phone per month
Prepaid Wireless Fee	\$0.25 per phone	Maximum monthly rate of \$2 per phone per month

After January 1, 2013, the bill requires landline, wireless and prepaid wireless fees to be imposed by county ordinance in equal amounts that may not exceed \$2 per phone per month. The extent of the increase in fee revenue would depend on local action. Currently, the enhanced emergency telephone system fee for land line phones varies by county, from about \$0.39 to \$3 per phone per month. As of May 2, 2011, there were 28 counties with monthly landline rates above \$2. The current wireless emergency enhanced 911 fee is \$0.50 per phone per month and the prepaid wireless rate is \$0.25 per phone.

**Background Information** - The bill provides that money deposited into a 911 system fund established by a county may be used only for the following purposes:

- (1) Expenses associated with communications service equipment located within the physical structure that houses a PSAP, including:
  - (A) maintenance costs;
  - (B) costs for the purchase of radio equipment; and
  - (C) costs for the purchase or lease of telephone lines, fiberoptic cables, or microwave links.
- (2) Necessary system hardware and software and data base equipment.
- (3) Personnel expenses, including wages, benefits, training, and continuing education.
- (4) Operational costs, including costs associated with:
  - (A) utilities;
  - (B) maintenance;
  - (C) equipment designed to provide backup power or system redundancy, including generators; and
  - (D) call logging equipment.
- (5) Connectivity to the Indiana data and communication system (IDACS).
- (6) An emergency telephone notification system under IC 36-8-21.
- (7) Radio equipment for first responder agencies.

The table below shows the fee revenue from the wireless emergency enhanced 911 fee and the enhanced prepaid wireless fee over the last 3 fiscal years.

<b>Fiscal Year</b>	<b>Revenue from wireless enhanced 911 fee</b>	<b>Revenue from prepaid wireless fee</b>	<b>Total wireless and prepaid 911 fee Revenue</b>
2009	\$25.18 M	\$3.51 M	<b>\$28.69</b>
2010	\$24.60 M	\$3.75 M	<b>\$28.35</b>
2011	\$24.89 M	\$2.32 M*	<b>\$27.22</b>
*The prepaid wireless fee was decreased from \$0.50 to \$0.25			

**State Agencies Affected:** State Treasurer, State Board of Accounts, IN911 Board; Department of State Revenue.

**Local Agencies Affected:** PSAPs.

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